C 3935-1

They want a make-good... took me three years to get them into the book... seven boring lunches...trips to their headquarters...*now this!* Maybe I can find a few good checking copies. Nah, that approach won't work... I'll have to call. What if they cancel the contract? Maybe they'll settle for half-off...I feel sick...might as well get it over with. Here goes...

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Folio:

THE MAGAZINE FOR MAGAZINE MANAGEMENT

1981
Magazine Publishing Week
Complete seminar and registration information. Page 77.

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Management

Magazine executives see hopeful signs in Reagan's start . . . Prime Time going public . . . Experts say strategy for *Woman's World* could work—with $$$. Page 6

Editorial

14 publications receive Neal Awards . . . Calvin S. Cronan wins Crain Award . . . Publishing goal should precede repositioning effort. Page 12.

Production

Paper negotiating possible as supply shortage eases . . . Good printer/publisher relations help cut costs, maintain quality. Page 16.

Advertising Sales

Confusion follows ARF subcommittee report on calibration . . . BPA computerized system to speed data to advertisers. Page 22.

Circulation

USPS considers non-Red Tag scheduled deliveries . . . PRC to hold hearing on second class publication frequency . . . USPS detached label program runs out of steam. Page 28.

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Wholesalers show continued decline in sales growth . . . 50% of execs rate single-copy system 'good'. Page 36.

Magazine Watch

New magazines . . . Mergers & acquisitions. Page 41.

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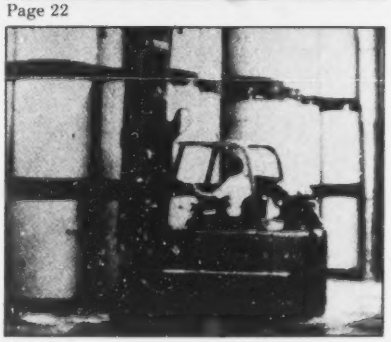

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FEATURES

Coping with make-goods

By Karlene Lukovitz
Advertising make-goods are a fact of life in magazine publishing. It is remarkable, however, that few magazines have any formal policy for dealing with them. When push comes to shove, the advertiser usually comes out ahead. Page 50.

Sales compensation: designing the right plan

By James Kobak
Many salespeople work best when offered a commission-based compensation plan. However, there are just as many who will work just as hard for a straight salary. How do you determine which plan is right for *your* sales staff? Page 58.

Using incentives to boost single-copy sales

By Melissa Lande
Publishers who compete in the retail marketplace have much to learn from marketers of other products. By effective use of promotional incentives, publishers can stimulate sales and increase consumer awareness of their product. Page 62.

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Cover design: Steve Phillips

"always depends on correct analysis," the report states. For example, analysis could take the form of a comparison of a particular ad's score with ads studied over a period of time; of product versus product group averages; or of a comparison of advertising campaign trends, depending on the goal of the study.

Ad readership research is also discussed in the report as a way to underscore the marketing importance of print advertising in a magazine.

"How Readership Reports Can Be Used" may be obtained free from Gary Beach, Director of Readership Studies, McGraw-Hill Publications Co., 1221 Avenue of the Americas, New York, N.Y. 10020.

Audit of demographic editions pushed by three magazines

New York City—The debate over the auditing of demographic editions is being kept alive by three magazines, despite an Audit Bureau of Circulations (ABC) decision, made at its annual meeting last November, not to consider such a requirement. *Scientific American, Forbes* and *The New Yorker* persist in raising the subject, even though ABC explored and rejected the possibility of auditing demographic editions in 1977, and has rejected it each year since.

A two-page ad, which was placed in the December 6, 1980 issue of *Advertising Age* by the three magazines, called for the auditing of demographic editions and asked publishers, advertisers and ad agency personnel to show their support by clipping and returning a coupon. Seventy favorable responses, of the 71 responses received, were tallied by the accounting firm of Ernst & Whinney, New York.

Of the responses, 34 came from ad agency employees, 13 from advertisers and 16 from publishers. Twelve chief executive officers responded, five of whom were from ad agencies. The results of the survey were discussed by the Magazine Directors' Advisory Committee of the ABC during its February 10 meeting.

A second ad by the three magazines, which appeared in *Advertising Age* in late February, announced the results of the survey.

The initial advertisement in *Advertising Age* was placed in an effort to demonstrate to the Magazine Directors' Advisory Committee that interest in auditing demographic editions does exist within the advertising industry. From the advertising agencies, five chief executive officers, four senior executive vice presidents, 10 vice presidents, eight media directors or managers, and one regional planner responded. The remaining six who responded were media planners and account executives.

Hugh Crocker, chairman of the Magazine Directors' Advisory Committee and circulation director for *TV Guide, Seventeen* and *Panorama*, said that all members of ABC are entitled to an equal voice, and will be heard. "If there is a need shown for this auditing, you can be sure the directors of the Advisory Committee will look into it," he said. "We don't have a closed mind."

Production costs of print ads dropped 7% in 1980

New York City—The costs of producing print advertisements dropped 7 percent overall in 1980, according to a recently-released survey done by Trout & Ries Advertising.

This is the first time in at least six years that the annual survey, which is conducted among advertisers in the New York Metropolitan region, has shown an overall decline in print ad production costs.

Although costs of producing four-color print ads rose slightly in 1980, costs of producing two-color and black-and-white ads declined, accounting for the 7 percent average decline when all categories were taken into account.

In the black-and-white categories included in the survey, cost of a one-page, black-and-white ad decreased from $3,195 in 1979 to $2,685 in 1980; cost of a two-page, black-and-white spread decreased from $5,480 in 1979 to $4,240 in 1980.

Cost of a one-page, two-color ad dropped from $5,085 in 1979 to $3,965 in 1980; cost of a two-page, two-color spread decreased from $5,620 to $4,615.

Cost of a one-page, four-color ad increased from $7,715 in 1979 to $7,950 in 1980; cost of a two-page, four-color spread increased from $10,175 to $11,125.

Trout & Ries attributes the encouraging results of the 1980 survey to increased efforts by both advertisers and ad agencies to control production costs, in particular by bringing typography and other production functions in-house.

Costs included in the figures are layout charges, photography, retouching, typography, photostats, mechanical assembly, separations, reprints and agency commissions on those charges.

People

Frank Sibley to national sales manager, *Restaurants & Institutions*, Cahners Publishing Company.

Gerard F. Moss to ad sales manager, *Classified Advertising Center* and *Graduating Engineer*, from district manager, *Chemical Week* and *Textile World*.

Jeffrey C. Hoopes to national sales manager, *Digital Design*.

Peter Boniface to national sales manager, *Design News*, from eastern regional manager.

Robert H. Dibb to ad director, *House & Garden*, from communications manager, American Standard Company.

David A. Fleischer to ad manager, *National Tax Shelter Digest*.

Charles McDermott to advertising director of *The Runner*.

Michael J. Romano to advertising director, *Cuisine*, from ad director for Network Publishing Corporation.

Frank P. Camastro to advertising manager of *Popular Mechanics*, from eastern ad manager there.

Print production cost survey January, 1981

	1977	1978	1979	1980
1 page black & white	$2,180	$3,240	$3,195	$2,685
1 page two-color	2,820	3,810	5,085	3,965
1 page four-color	4,840	7,470	7,715	7,950
2 page spread black & white	3,400	5,990	5,480	4,240
2 page spread two-color	4,780	5,190	5,620	4,615
2 page spread four-color	8,880	8,650	10,175	11,125

Source: Trout & Ries

can often help the publisher by varying the number of mailings a magazine is included in," he said. "They can pretty much adjust your volume to whatever you want—within reason."

A publisher can also control the number of orders he receives from subscription agencies by increasing or decreasing the number of agencies he uses. Freeman points out, however, that cash-field and PDS agencies often take three to four months to start selling a magazine again, should the publisher decide that he needs to increase orders after having dropped an agency.

Red Tag service study: 53% delivered on time in 1980

Chicago—Fifty-three percent of Red Tag, or expedited, second-class delivery, magazines were delivered on time in 1980, according to the most recent figures released by Red Tag News Publications, Inc.

The study shows that 28 percent of Red Tag magazines were delivered one-day late, according to standards set by the Postal Service, while 19 percent were delivered more than one-day late.

The report's figures, based on delivery monitoring of 17 weekly business and consumer magazines, are particularly significant in light of the Postal Service's intention to apply a 1.2 cents-per-copy surcharge to Red Tag magazines as of June 1.

"The figures on delivery time are not impressive, particularly when one considers that most—if not all—publishers included in the study spend significant amounts of their own money to help the Postal Service by using additional entry points and air freight," says William Strong, executive director of Red Tag News Publications.

Moreover, there is reason to believe that there may have been some "erosion" of Red Tag service in 1980, according to Strong. He notes, for example, that only 52 percent of Red Tag publications were delivered on time in the second half of 1980, as compared with 54 percent delivered on time in the first half.

Also, the 52 percent second-half, on-time figure for 1980 is the worst recorded in eight years by Red Tag Publications: Only 52 percent of Red Tag publications were delivered on time in the second half of 1972, the year the association started its delivery monitoring.

Red Tag service, formerly available only to weekly magazines, will be open to any magazine willing to pay for it once the surcharge goes into effect. If the Postal Service does not take steps to deal with the expected increase in Red Tag traffic, the service could deteriorate further, Strong says.

"However," he adds, "we are taking the optimistic view that, if the number of magazines using Red Tag increases significantly, the Postal Service will expand and improve the service correspondingly."

Scheduled deliveries

(Continued from page 28)

storage space for participating magazines, since those magazines will have to be dropped at postal facilities in advance according to a "lead time" schedule.

Although Smith says that the original estimate is likely to be revised significantly by the time the study is completed, some magazine circulation experts say they believe that few magazines will find it worthwhile to pay extra for scheduled sec-

Weekly 'Time-Value' Publications January through December—1980

Market Area Monitored	On Time	One Day Late	Later
Atlanta, GA	58	28	14
Austin/San Antonio, TX	48	35	17
Baltimore, MD	46	35	19
Boston, MA	59	26	15
Buffalo, NY	56	33	11
Chicago, IL	64	24	12
Cincinnati, OH	49	35	16
Cleveland, OH	46	35	19
Columbus, OH	73	15	12
Dallas, TX	34	37	29
Denver, CO	37	35	28
Detroit, MI	61	28	11
Grand Rapids, MI	72	21	7
Greensboro, NC	72	13	15
Hartford, CT	66	26	8
Houston, TX	39	28	33
Indianapolis, IN	48	24	28
Jacksonville/Tampa, FL	58	25	17
Kansas City, MO	56	27	17
Los Angeles, CA	58	22	20
Memphis, TN	56	27	17
Miami, FL	38	32	30
Milwaukee, WI	59	26	15
Minneapolis, MN	53	28	19
Nashville, TN	44	36	20
New Orleans, LA	34	33	33
New York, NY	62	28	10
Philadelphia, PA	55	29	16
Phoenix, AZ	39	29	32
Pittsburgh, PA	42	33	25
Portland, OR	38	31	31
Reno, NV	37	17	46
St. Louis, MO	59	30	11
Salt Lake City, UT	24	33	43
San Diego, CA	33	35	32
San Francisco, CA	58	24	18
Seattle, WA	12	19	69
Tulsa, OK	57	29	14
Washington, DC	63	23	14
Wichita, KS	70	24	6
Average	**53%**	**28%**	**19%**

Data based on experience of 17 weekly business and consumer publications accounting for 1,128,000 copies in the mail each week and predicated on delivery as NEWSPAPERS. Most publications monitored maintain multiple additional entries and air freight to post office of entry.

NOTE

ONLY THE FOLLOWING PAGES OF THIS

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Cover 1, p. 3, 19, 21, 26.